

**R E M A R K S**

- Claims 1 – 49, 51 – 58, and 62 – 71 are currently pending.
- Of the pending claims, only claims 1, 52, 53, 56, 57, 58, 63, 64, 66, and 67 are independent.
- Claim 58, an independent claim, and claim 62, a dependent claim, have been cancelled herein.
- After the amendments made herein, entry of which is respectfully requested for the reasons set forth below, claims 1 – 49, 51 – 57, and 61 – 71 will be pending.
- All claims stand rejected.

**1. Claim Rejections – Section 101**

Claims 1 – 4, 6 – 49, 51 – 55, 58, 63 – 67 and 71 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Specifically, Examiner explains that the claims are rejected under §101 “because these claims have no connection to the technological arts. The method claims do not specify how the claims utilize any technological arts. For example, no network or server is specified.” [Current Office Action, mailed August 12, 2003, page 2, paragraph 3]. Applicants respectfully traverse this rejection for the reasons set forth below.

Applicants traverse the §101 rejection as being improper for failing to be based on any statutory, regulatory, or court opinion requirement. The only current test for whether claimed subject matter qualifies as statutory subject matter has been set out by the Federal Circuit and comprises determining whether the claimed subject matter produces a useful, concrete and tangible result, with no additional requirement that the subject matter utilize any “technological arts”. AT & T Corp. v. Excel Communications Inc., 172 F.3d 1352, 1356, 50 USPQ2d 1447, 1451 (Fed. Cir. 1999); State Street Bank v. Signature Financial Trust, 149 F.3d 1368, 1373, 47 USPQ2d 1596, 1601 (Fed. Cir. 1998), cert. denied, 119 S. Ct. 851 (1999). Each of the pending claims does produce a useful, concrete and tangible result and is thus statutory subject matter under §101.

For example, the rejected independent claims at least recites a general feature of (i) arranging for the home information to be transmitted to a viewer (claims 1, 52 53, 64, and 66);

(ii) determining a rating of the homeowner's willingness to sell the home (claims 1, 52, 53, 63, 64, and 66); and (iii) allowing, or arranging for, the viewer to communicate with the homeowner if the rating is at least equal to a predetermined rating (claims 1, 52, 53, 63, 64, and 66). Each of these limitations produce a useful, concrete and tangible result. A claimed invention that produces a useful, concrete and tangible result constitutes statutory subject matter. AT & T Corp. v. Excel Communications Inc., 172 F.3d 1352, 1356, 50 USPQ2d 1447, 1451 (Fed. Cir. 1999); State Street Bank v. Signature Financial Trust, 149 F.3d 1368, 1373, 47 USPQ2d 1596, 1601 (Fed. Cir. 1998), cert. denied, 119 S. Ct. 851 (1999). Thus, the claimed methods that recite at least one of the above limitations are directed to statutory subject matter.

The Federal Circuit has held that a claimed processing system was patentable subject matter because the system determines a final share *price*, which is a *useful, concrete, and tangible result*. State Street Bank, 149 F.3d at 1373, 47 USPQ2d at 1601. "[W]e hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula or calculation, because it produces 'a useful, concrete, and tangible result' - - a final share price...[E]ven if the useful result is expressed in numbers, such as price, profit, percentage, cost or loss", the invention that produces that result is nevertheless statutory. State Street Bank, 149 F.3d at 1374. Applicants note that the independent claim at issue in the State Street Bank case, as upheld by the Federal Circuit, did not recite any specific application of the share price.

Applicants are unaware of any statutory, regulatory, or court opinion requirement that the claims have a connection to the technological arts or specify how the claims utilize any technological arts. The case cited by Examiner in support of this requirement, *In Re Toma*, 197 USPQ (BNA) 852 (CCPA 1978) does not support the position that such a requirement is part of a §101 analysis. The Freeman-Walter-Abele test applied in *Toma* has since been explicitly rejected by the Federal Circuit and replaced by the "useful, concrete and tangible result" test discussed above. Accordingly, the reasoning used in a Freeman-Walter-Abele test is inapplicable to the current test.

The Examiner further asserts, with reference to *Toma*, that "[t]he court found the claimed computer implemented process was within the 'technological arts' because the claimed invention was an operation being performed by a computer within a computer". Current Office Action,

page 4). This statement does not support Examiner's position that claims need to have a connection to the technological arts in order to be statutory subject matter. First, simply because a court in a particular case finds that a particular method or claimed subject matter is within the technological arts does not support the position that in order for any claimed subject matter to be statutory it has to fall within the particular class or type of subject matter found to be statutory in that case. Nowhere in *Toma* did the court state that in order for a claim to be statutory subject matter the claim has to recite a computer or a connection with a computer or other apparatus. Second, Examiner appears to be inappropriately mingling the §101 statutory rejection with a mental process rejection, as the Examiner in *Toma* did. Such a mingling of these two distinct rejection has been explicitly rejected by the United States Court of Customs and Patent Appeals in *Toma* itself: "the language which the examiner has quoted [in support of a §101 rejection] was written [by the CCPA] in answer to 'mental steps' rejections and was not intended to create a generalized definition of statutory subject matter. Moreover, it was not intended to form a basis for a new §101 rejection as the examiner apparently suggests."

If the §101 rejection was instead intended to be a "mental steps" rejection, Applicants also traverse the rejection because there is no statutory, regulatory, or court opinion requirement that a method claim recite a "connection to the technological arts". Applicants agree that the methods of independent claims do not require that any or all of the steps recited therein be implemented on a computing device or other apparatus, although they certainly can be in accordance with some disclosed embodiments of the present invention. However, the mere fact that some or all of the steps of a method "may be carried out in or with the aid of the human mind or because it may be necessary for one performing the processes to think" does not render a sequence of operational steps non-statutory under 35 U.S.C. §101. *In Re Musgrave*, 57 C.C.P.A. 1352, 431 F.2d 882 (C.C.P.A. 1970). The court, in *Musgrave*, rejected the Examiner's reasoning that the claims at issue were non-statutory under 35 U.S.C. §101 merely because they "include no physical steps but set forth merely a method for processing data which does not require any tangible device or apparatus to carry out the method and hence could be carried out mentally." The court, in *Musgrave*, reiterated its holding in an earlier case, that "patent protection for a process disclosed as being a sequence or combination of steps, capable of performance without human intervention...is not precluded by the mere fact that the process could alternatively be carried out by mental steps." *In Re Prater*, 56 C.C.P.A. 1376, 415 F.2d 1378 (C.C.P.A. 1968).

The only test articulated by the Federal Circuit for determining whether claimed subject matter is statutory is whether it produces a “useful, concrete, and tangible result”, as discussed above. That the claimed subject matter be performed with a “network or server” has never been required by the Federal Circuit, nor any statute or properly promulgated rule known to Applicants.

In conclusion, Applicants traverse the §101 rejection on the grounds that independent claims **1 – 4, 6 – 49, 51 – 55, and 63 – 67 and 71** are directed to statutory subject matter and because the basis for the §101 rejection is improper.

Since claim **58** has been cancelled herein, the rejection of this claim is moot and Applicants have not referred to it in the above arguments.

## **2. Claim Rejections – Section 103**

### 2.a. The References Do Not Teach or Suggest All Claim Limitations

Claims **1 – 49, 51 – 59, and 62 – 71** stand rejected under 35 U.S.C. §103(a) as unpatentable over U.S. Patent No. 5,584,025 to Keithley (“**Keithley**” herein) in view of U.S. Patent No. 5,819,092 to Ferguson (“**Ferguson**” herein) and in further view of U.S. Patent No. 6,058,379 to Odom (“**Odom**” herein). Applicants respectfully traverse this rejection.

As a preliminary matter, Applicants note that claim **59** has been previously cancelled. Accordingly, Applicants assume the inclusion of this claim in the above rejection was inadvertent error.

As another preliminary matter, Applicants note that claims **58 and 62** have been cancelled herein. Accordingly, the rejection of these claims is now moot and Applicants do not address these claims in the arguments below.

None of the prior art, alone or in combination, teaches or suggests the following claim limitations:

*determining a rating of the homeowner’s willingness to sell the home*

As in the Response to the Office Action mailed March 26, 2003, Applicants acknowledge Examiner's agreement that Keithley nor Ferguson does not disclose the above claim limitations. [Current Office Action, page 6].

However, Examiner goes on to assert that Odom discloses "seller specified exchange parameters and interactive seller participation. Odom further discloses...that a threshold can be set up by the seller such that offers that do not meet the seller established criteria are never sent to the seller...that the seller does not need to sell the item...that purchasers can 'chat' with sellers at the sellers discretion and if they meet the seller established criteria..." [Current Office Action, page 6 – 7]. It appears that Examiner is relying on the above passages of Odom as teaching the claimed limitations of "determining a rating of the homeowner's willingness to sell the home and allowing the viewer to communicate with the homeowner if the rating is at least a predetermined rating." Examiner explains that "Odom discloses a rating that is utilized as a parameter to determine if a homeowner is willing to sell his home, 'This processing may include a first level of filtering to determine if the bid meets predefined criteria or rates. If it does not, it is rejected.'...Therefore, the rate is referenced to determine if a homeowner's criteria *to be willing* to sell a home is satisfied." [Current Office Action, page 17, emphasis added].

Applicants respectfully disagree with the Examiner's conclusions regarding the disclosure of Odom. While Applicants agree that Odom discloses that a bid is compared to criteria submitted by a seller to determine whether the particular bid satisfies the criteria, Applicants do not agree that this is equivalent to determining a homeowner's willingness to sell a home. Odom merely discloses that a seller may provide criteria that may be used to judge whether certain information (a bid) should be forwarded to the seller. This is not equivalent to a rating of a willingness to sell an item. In Odom the seller is definitely willing to sell – whether a particular bid satisfies the seller's preferences does not change the fact that the seller is willing to sell. In Applicants' claimed embodiments, the homeowner may not be willing to sell his home, regardless of what offer is received. In the claimed embodiments, the homeowner's willingness to sell, and the rating thereof, is *independent* of any information in an offer that may be received from a potential purchaser.

At most, Odom may be interpreted to teach that comparing the bid information to the seller criteria is a determination of whether the seller is willing to consider a particular offer or bid. However, this is not relevant to the seller's general willingness to sell the item in question.

For example, if an owner of a bicycle advertises in the classifieds section of the newspaper that the bicycle is available for sale for \$25, the owner may not be willing to consider an offer for \$10 but that does not affect the owner's general willingness to sell the bicycle at the asking price. In the claimed embodiments, however, there is a rating of the owner's general willingness to sell the home, irrespective of particular conditions of any offer.

Further, even though Odom discloses certain criteria that may be used to determine whether a seller would be willing to consider a bid, none of the criteria is a rating of a willingness to sell. The Examiner has asserted that whether or not a bid meets seller predefined criteria can be "referenced to determine if a homeowner's criteria to be willing to sell a home is satisfied." Applicants respectfully submit that this statement is irrelevant to the claim limitation.

First, the claims recite "a willingness to sell a home", not "criteria to be willing to sell a home". In other words, the claims do not recite any criteria that, if met, would mean that the homeowner is willing to sell the home. The claims merely recite a rating of a willingness to sell a home.

Second, the criteria in Odom merely indicate whether the seller would be willing to consider a bid. This is distinct from the seller's willingness to sell the item in question. Examiner has not provided any reasoning of why the two distinct concepts are to be considered equivalent.

Third, there is simply no rating of a homeowner's willingness to sell a home disclosed in Odom. Odom does not disclose using any of the seller defined criteria, or whether or not seller defined criteria are satisfied by a particular bid, to determine a rating of a willingness to sell a home. Odom merely discloses using seller defined criteria to determine whether a bid should be forwarded to the seller.

Each of the pending dependent claims is dependent on one of the independent claim discussed above. Accordingly, Applicants respectfully submit that each of the dependent claims is allowable at least for the same reasons as discussed in Section 2(a) above.

#### 2.(b). No Proper Motivation To Combine Has Been Provided

The Examiner has provided various statement regarding motivations to combine the prior art in the suggested manners. Applicants respectfully submit that the statements are not proper evidence of a suggestion or teaching of why one of ordinary skill in the art would have combined

the references as suggested, but are merely conclusory statements of alleged improvements to the prior art that may be achieved via the proposed combinations. See, e.g., *In Re Kotzab*, 217 F.3d 1365 (Fed. Cir. 2000) (“Whether the Board relies on an express or an implicit showing, it must provide particular findings related thereto...Broad conclusory statements standing alone are not ‘evidence.’”).

The Examiner has provided the following statements regarding why it would be obvious to combine the references as proposed:

Regarding the combination of *Ferguson* and *Keithley*:

(i) “it would have been obvious to one of ordinary skill in the art to add Ferguson’s compensation the information provider method to Keithley’s method for tracking and viewing home data. One would have been motivated to do this so that Keithley has a way to motivate content providers, that may or may not be interested in selling, to provide their information.” Current Office Action, page 6.

(ii) “it would have been obvious to one of ordinary skill in the art to add Ferguson’s flexibly compensation the information provider method to Keithley’s method for tracking and viewing home data. One would have been motivated to do this so that Keithley has a way to motivate content providers, that may or may not be interested in selling, to provide their information.” Current Office Action, page 8, 10, and 14.

(iii) “it would have been obvious to one of ordinary skill in the art to add Ferguson’s complex fee setting to Keithley’s charging the viewer for viewing data. One would have been motivated to do this so that Keithley has a way to charge for the level of content provided as Ferguson discloses.” Current Office Action, page 11.

(iv) “it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Ferguson’s information content to Keithley’s data tracking and viewing method. One would have been motivated to do this so that Keithley’s content providers are not obligated to sell as Ferguson discloses.” Current Office Action, page 9.

Regarding the combination of Keithley and Odom:

(v) “it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Odom’s seller specified exchange criteria to Keithley’s method for tracking and viewing home data. One would have been motivated to do this because giving the seller further control of the conditions under which homes are displayed will further entice homeowners to display their homes.” Current Office Action, page 7 and 15.

Each of the above statements merely states that it would have been obvious to make the proposed combination in order to allow some additional feature to be included in one of the references. However, no suggestion or motivation has been articulated as to why one of ordinary skill in the art would have recognized the desirability of adding the additional feature to the reference in question. No findings have been made as to why one of ordinary skill in the art would have made the combination, without first having read Applicants’ disclosure. “A critical step in analyzing the patentability of claims pursuant to section 103(a) is casting the mind back to the time of the invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field...Close adherence to this methodology is especially important in cases where the very ease with which the invention can be understood may prompt one ‘to fall victim to the insidious effect of a hindsight syndrome wherein that which only the invention taught is used against its teacher.’” In Re Kotzab, 217 F.3d 1365. In other words, Applicants respectfully submit that Examiner has not provided any reason why, without having first read Applicants’ disclosure and having the benefit of hindsight, one of ordinary skill would have been prompted to make the proposed modifications to the prior



art. Simply stating that an alleged improvement in the prior art would have been realized from the combination is insufficient.

Further, Applicants note that absolutely no motivation to combine Ferguson with Keithley and with Odom (the rejection of the claims being based on a combination of all three of these references) has been provided.

Accordingly, Applicants respectfully submit that a prima facie case of obviousness for any of the pending claims has not been established and the rejection is therefore flawed.

### Conclusion

For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Magdalena M. Fincham at telephone number 203-461-7041 or via electronic mail at [mfincham@walkerdigital.com](mailto:mfincham@walkerdigital.com).

### Petition for Extension of Time to Respond

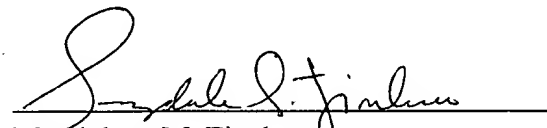
Applicants hereby petition for a **two-month** extension of time with which to respond to the Office Action. Please charge \$210.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,

December 29, 2003

Date



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**Conclusion**

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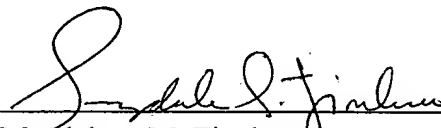
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Respectfully submitted,

December 29, 2003  
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